



CZSO CHANGE MANAGEMENT POLICY

INTRODUCTION

The Czech Statistical Office (hereinafter referred to as „CZSO“) is attentive to the fact that the environment is changing dynamically. It is aware that these changes require an appropriate and rapid response. Any well-functioning organization, if it is not to be condemned to stagnation, must undergo a process of permanent change. Positive change is the key to improvement, progress and success. The CZSO management supports positive change in every way. That is why the CZSO has a Change Management System in place, an integral part of which is to promote a proactive approach and motivate employees (e.g. in the form of exceptional or target bonus) in initiating and implementing change.

The CZSO continuously implements changes in its activities within the framework of procedures that are regulated by internal rules or otherwise approved. In preparing changes beyond these procedures, there is a need to make changes to existing practices which may require the cooperation of several departments. These larger changes are (or may be) within the scope of a single service but have an impact on the activities of several services or the entire Authority. Their preparation requires long-term preparation, including analysis, discussion of options for solutions. Based on the need to adapt procedures that have not yet been standardized and to create conditions to support activities aimed at positive changes. This Change Management Policy was created within the framework of the project „Implementation of the Quality Management System in the Czech Statistical Office“, registration number CZ.03.4.74/0.0/0.0/15_019/0016015.

Change management is similar to project management in terms of its content, objectives and technical aspects, and therefore Directive No 4/2020, which sets the rules for project management activities within the CZSO.

KEY CONCEPTS

- **Change**¹ – the process of overcoming the difference between the current (unwanted, undesirable) state and the future (wanted, desirable) state². Change can be incremental or incremental. Incremental change (evolutionary, small-scale) accompanies gradual development, step change (developmental, strategic, radical, fundamental, large-scale) characterizes a total transformation of the current state.
- **Innovation** – a change leading to the introduction of a new or significantly improved output, process, or new organizational method in procedures, organization of work or external relations. Innovation = positive change (change for the better).
- **Change management** – the process of preparing for, identifying, implementing, completing, evaluating and then sustaining change.
- **Change management system** – a set of interrelated managerial and organizational arrangements within an organization that provides for planning, management, implementation and evaluation of change.
- **Role** – the position, role, function of an employee or body or stakeholder in a change management system.
- **Project** – a set of activities that goes beyond the scope of a single department in terms of the task to be addressed and is time-bound. It is a comprehensive set of activities and processes aimed at introducing, creating or changing a specific output or implementing another type of change.

INCENTIVES/SOURCES OF CHANGE

In its work, the CZSO monitors major developments in the 21st century world, such as globalization, Industry 4.0, Society 4.0, Education 4.0, digitization, dematerialization (product-GDP), computerization, informatization, robotics. It assesses their relevance in terms of the content of the statistics and their outputs, their potential impact on the internal workings and functioning of the Authority and their impact on the civil service as a whole.

Changes from external stimuli can be:

- **firstly, in response to developments in the external environment**, in addition to the developments already mentioned, they can also be in response to political and social changes, changes in environmental and climate protection, etc.
- On the other hand, **they may be forced** by a decision of an external national authority (e.g. Ministry of Finance of the Czech Republic, Civil Service Section of the Ministry of the Interior of the Czech Republic) or supranational (e.g. European Commission – Eurostat, statistical divisions of the UN, OECD, IMF, or others, others)

¹ Change is understood dynamically, as a process of overcoming the difference between two states. Not statically, as a difference between two states.

² For the purposes of this Policy, change means positive change (change for the better). Negative change (change for the worse) is not addressed in the Policy for obvious reasons.



Changes from internal initiatives – characterized by changes initiated from within the organization, by employees of the organization – based on their experience of the operating parameters, quality of management, structure of the organization and/or quality of products/ outputs or effectiveness of processes. Changes from internal stimuli may overlap to some extent with changes triggered in response to developments in the external environment.

Proposals for changes are emerging:

- spontaneously, „bottom-up“, by employee initiative,
- „top-down“, under the responsibility of the relevant manager,
- within the institutionalized change management system of the organization, through a combination of top-down and bottom-up approaches.

OVERVIEW OF ROLES IN THE CHANGE MANAGEMENT SYSTEM

A detailed description of the roles in project management is given in the current and valid version of Directive No. 4/2020, which establishes the rules of project management activities within the CZSO. In addition, the following basic roles are defined for the change management system:

- **Change initiator (proposer)** – a person, group of persons or stakeholder who proposes a change and who submits the proposal to the appropriate authority.
- **Authority assessing change proposals** and deciding on their possible implementation. This is, depending on the scope of the proposed change and the division of labor requirements, either a line manager or an existing advisory body to the President of the CZSO, or the President of the CZSO: the Section Directors' Meeting, the Management Meeting, the President's College, or the Quality Committee. **Provides feedback to the initiator of the change as to whether the proposal will be accepted for action, deferred to a later date, or not used. It determines the specific way of addressing the proposal, e.g. in the form of a project, (internal) grant, creation of a working group, etc. and decides on the filling of specific roles and any other necessary conditions for the implementation of the change.**

CHANGE MANAGEMENT PRINCIPLES

The change process itself can be broken down into several basic stages.

- **Identifying the need for change**
- **Change proposal** – submitted by the initiator of the change to the responsible authority reviewing the change proposals.
- **Decision of the authority to implement (or postpone or reject) the change proposal** (work processes, functioning or structure of the organization, its management methods, technologies used)
- **Planning the change**, the content of which is:
 - **Description of the output** of the change and its quality requirements
 - **Determination of responsibility for the implementation of the change.** In the case of changes that can be resolved within the scope of the CZSO's organizational units, it is the relevant line manager. If it is a major change that requires a more complex division of labor, an appropriate project structure shall be established.
 - **Determination of resource requirements** (financial, personnel, intellectual, technical, etc.) in cooperation with the departments concerned
 - **Identification of potential risks** in order to minimize potential negative risks to the successful implementation of the change and maximize potential positive risks that may facilitate the process or even lead to additional positive benefits
 - **Establishing a timetable** for the progress of the work
 - **Determining the benefits and impacts** of implementing the change
 - **Identifying affected parties** and managing relationships with them. An affected party is a person, group of persons, organizational unit, stakeholder who can influence the successful implementation of the change or, conversely, who can be affected by the change. These stakeholders need to be identified and worked with, perhaps through involvement in change management. At a minimum, then communicate the change to them in an appropriate way.
- **Change implementation and ongoing evaluation** of the implementation process
- **Evaluation of the change** and its closure/termination
- **Secure the new state** – embedding the change into the organization's workflows, management systems, structure and/or technology in use
- **Ongoing evaluation of the success of the change**

All stages, sub-steps of the change process are adequately documented.



COMMUNICATION CHANNELS FOR PROPOSING CHANGES

- A staff member may make suggestions for changes on an ongoing basis through the **standard service procedure** (in the Staff Regulations) to his/her immediate superior or senior staff member. He/she shall use the standard channels of internal communication in accordance with the CZSO Internal Communication Policy (e.g. working meetings, meetings and negotiations, e.g. discussion/comment on draft internal regulations, opposition to technical projects and other meetings arising from internal regulations or approved procedures).
- The staff member may submit and discuss with the relevant evaluator proposals for changes to the **regular annual or exceptional employee evaluation** in accordance with the methodology for staff appraisal and career appraisal of civil servants in the CZSO.
- A staff member may submit suggestions for changes anonymously in the context of the regular **Staff Satisfaction Survey** in accordance with the relevant methodology. In this case, suggestions for changes are collected by the Department of Personnel and Payroll. In this case, the authority assessing the proposals for change is the Management Board, which decides on the specific course of action.
- If the above channels are not appropriate, the employee may submit a proposal for change **via the email address inovace@czso.cz**. In this case, the President's office collects the proposals for change. In this case, the authority to consider proposals for change is the Management Council, which discusses proposals for change at least once a quarter and decides on a specific course of action.

MOTIVATION AND SUPPORT FOR POSITIVE CHANGE

The Board and senior staff actively encourage staff suggestions and involvement in initiatives to improve the functioning of the Authority. They use appropriate ad-hoc financial incentive tools (e.g. exceptional or target bonuses in accordance with the Methodology for the Preparation and Implementation of Internal Grants), as well as available non-financial incentives (e.g. personal or public praise, provision of training opportunities, presentation of results through participation in conferences, etc.), or take into account the staff's approach to positive change in annual or exceptional evaluations and the setting of personal allowance level.

CHANGE COMMUNICATION

Creating a change-friendly culture is an integral, essential part of the Change Management System. Change communication is essential for the understanding of changes by CZSO staff and their subsequent implementation. Communication ensures that they are **informed in these areas**:

- Awareness of the **opportunity to make suggestions** for change and therefore participate in the extensive improvement of the organization/office's activities and functioning.
- Awareness of the **mechanism for submitting proposals for change**, to whom/to what authority to submit the proposal for change and in what form
- Awareness of **change initiators of the authority's decision to implement/not to implement the change**
- **Awareness of all staff of the change to be made**, explanation of the need for change, its implications, requirements for their cooperation and commitment. The support of the Authority's senior management is key to acceptance of the introduction of change
- Awareness of the **process of implementing** the change
- Awareness of the **outcome of the change**, its demonstrable benefits to the work and functioning

Effective change management **communication** adheres to the following **principles**:

- Communicate consistently, frequently, and through multiple communication channels
- Communicate everything that is known or can be documented, and in the shortest possible timeframe
- Provide space for employees to ask questions, answering them all – fully and clearly
- Clearly communicate the objectives and benefits of the change
- The reason for the change must be clear and well understood by all staff

Use all appropriate channels (e.g. intranet, minutes, newsletter, workshops, open discussions, internet, etc.) to **communicate changes internally in accordance with the CZSO's Internal Communication Policy**.

Changes are also communicated externally: to all stakeholder groups through all available channels. At a minimum, the intent of the change, the process of implementing the change and the evaluation of the change are communicated. Stakeholders have the opportunity to comment on the changes.